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(9) High barriers to clear before dissolving Lower House after passage of fiscal 2009 budget -- No happy idea for sluggish public support ratings, economic recession: Prime minister wants to avoid election after current term for Lower House members; Move to oust Aso likely to occur, if Lower House dissolution is delayed

NIKKEI (Page 2) (Abridged slightly)
February 8, 2009

With the start of full-fledged deliberations on the fiscal 2009 budget, moves to search for dissolution of the Lower House after its passage have emerged in the government and the ruling camp. Prime Minister Taro Aso and his aides are looking into compiling a package of additional economic stimulus measures and making it a campaign issue for the Lower House election. However, there is a slim chance of such a package leading to a dramatic recovery of cabinet support ratings. If the Diet dissolution is delayed, a move to oust Aso could spread. The prime minister will likely be pressed to make a decision under a difficult circumstance.

May 24 election rumored in ruling parties

The prime minister recently said to a ruling party executive, "I would like to avoid an election following the end of the current term for Lower House members as much as possible." This executive

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took it that Aso intends to dissolve the Lower House after passage of the fiscal 2009 budget and related bills, if public support ratings for the cabinet rise.

There is a rumor going around in the ruling parties that the election will be set for May 24. Mikio Aoki, former head of the Liberal Democratic Party (LDP) caucus in the Upper House, said, "There is no guarantee that delaying Lower House dissolution will work to the ruling parties' advantage." The ruling camp's plan is that they will compile a large-scale package of additional stimulus measures as soon as they manage to enact budget related bills before the Golden Week holiday season in May and make it a campaign issue for the upcoming Lower House election.

LDP Diet Affairs Policy Committee Chairman Tadamori Omori, the prime minister's brain truster, has pushed for a scenario of dissolving the Lower House in the spring. The New Komeito, which wants to leave an interval between the next Lower election and the Tokyo Metropolitan Assembly election, which is to take place on July 12, sees that date as acceptable somehow. The party expects that if flat-sum cash handouts start, public ratings for the government and the ruling parties will rise.

DPJ deems dissolution likely on April 26

Democratic Party of Japan (DPJ) President Ichiro Ozawa is trying to encourage the prime minister to dissolve the Lower House in the spring, implying dissolution through talks. Ozawa says that voting on April 26 would be possible. In response, the Japanese Trade Union Confederation (Rengo), which supports the DPJ, will ready itself for the election.

However, the Aso cabinet's approval ratings are now below 20 PERCENT. One aide to the prime minister says Aso needs at least 30 PERCENT for his cabinet to dissolve the Lower House. The prime minister has been making flip-flops as usual to narrow the range of options.

If it is difficult to dissolve the Lower House in the spring, the prime minister will switch his policy stance to compiling a fiscal 2009 extra budget and chalking up a track record of summit diplomacy at the G-8 Summit in early July. This is the scenario recommended by LDP Election Committee Vice Chairman Yoshihide Suga and close aides to him.

LDP presidential election likely to be frontloaded, if Lower House is to be dissolved in fall

If the Lower House is dissolved right after the G-8 Summit, the election will likely be set for Aug. 2. However, since the LDP's power base is also visibly shaky in local elections, as can be seen in the result of the Yamagata Prefecture gubernatorial election in late January, there is a strong view that the Lower House election would be called at a time close to the end of the term of the current members in September.

The rumor also has it that if that is the case, the LDP presidential election slated for September will be frontloaded and a new LDP president, after elected prime minister in the Diet, would dissolve the Lower House. Some think that replacing the prime minister so often will not be able to obtain understanding. Chances are, however, if Aso is found to be unable to serve as the key person of the election, a move to replace him could gain ground in one sweep.

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(10) Blue-ribbon panel calls for using ODA for public-private cooperation in investment

NIKKEI (Page 2) (Abridged slightly)
February 8, 2009

An advisory panel to Foreign Minister Hirofumi Nakasone has produced a final report on the modality of effective international cooperation through the nation's official development assistance (ODA) program. To prevent a decline in private investments in developing countries due to the global financial crisis, the report calls for the promotion of investments in infrastructure in Asia and other regions by actively utilizing what is called the public-private partnership formula that combines private-sector funds with the ODA.

The blue-ribbon panel on international cooperation, chaired by Takushoku University President Toshio Watanabe, will make proposals to the foreign minister after its meeting on Feb. 9.

The report specifies the need to earnestly promote cooperation between the public and private sectors. As a specific step, the report calls for the Japan International Cooperation Agency (JICA), the ODA implementation body, to resume its overseas investment projects, so that ODA projects would be able to facilitate private investments in development countries. To strengthen the Foreign Ministry's ODA planning functions, the report also proposes expanding the unit formulating development projects for each country. The panel also calls for active discussion by a cabinet-level overseas economic council established in 2006.

Although the abolition of JICA's investment projects was decided in 2001, the Foreign Ministry and the Ministry of Economy, Trade and Industry have positive views about resuming ODA projects, maintaining that developing countries need assistance. The Finance Ministry remains opposed to the resumption.

(11) LDP considering non-interest-bearing government bond plan as showcase for manifesto

NIKKEI (Page 2) (Full)
February 7, 2009

Liberal Democratic Party (LDP) lawmakers are looking into the feasibility of issuing non-interest-bearing government bonds to lighten the inheritance tax. The idea is motivated by the desire to create a showcase item for the party's manifesto for the next Lower House election amid the Aso cabinet's suffering from sluggish public support ratings. However, it would not be easy to materialize the plan.

LDP Election Committee Vice Chairman Yoshihide Suga at a preparatory meeting to establish a parliamentarian league to consider issuing government notes and non-interest-bearing government notes enthusiastically noted, "The greatest measure of the century is

needed for the greatest global recession of the century." The envisaged parliamentary league will boil down merits of and problems about issuing such a bond and recommend the plan to Prime Minister Taro Aso.

The mechanism of non-interest-bearing government bonds is to remove

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the face value of such bonds from the inheritance tax in return for paying no interest. Suga's argument is that issuing such a bond will help the effective use of individual financial assets kept at households for economic stimulus measures.

Former Prime Minister Shinzo Abe has initiated the plan. Abe and Suga, who have an understanding with Aso, are positive about the idea, indicating their desire to contain a possible move to oust Aso, expected to emerge after passage of the fiscal 2009 budget, by putting up a new economic stimulus package. Abe and Suga have already proposed the plan to the prime minister. The prime minister appears to have shown interest in the idea.

Some government sources have also shown understanding. State Minister for Economic and Fiscal Policy Kaoru Yosano at a Budget Committee meeting on the 6th said there is a view that non-interest-bearing government bonds will lead to the creation of effective demand, as dormant financial assets will be used.

However, there are many barriers. One is tax impartiality. Only 4.2 PERCENT of all deceased persons were subject to the inheritance tax in fiscal 2006. Only a handful of wealthy people will thus benefit from such a bond. Some said that if funds procured through the sale of such a bond are used for measures for the elderly or the socially weak, criticism that the government is giving preferential treatment to wealthy people can be avoided, as LDP Upper House member Kotaro Tamura said. However, whether the plan can obtain understanding from people is unclear.

The idea of issuing non-interest-bearing government bonds has repeatedly surfaced in the ruling camp since the late 1990s as a measure to dispose of long-term debts held by the former Japan National Railways and to shore up the economy after the bursting of the asset-inflated bubble economy. However, it has never realized due to opposition from the former finance ministry, which was concerned about an ensuing drop in tax revenues. One senior official of the New Komeito said, "The idea has just been suggested. This has yet to be fully discussed."

(12) Coordination underway to appoint Ambassador to France Iimura as government delegate for Middle Eastern issues

MAINICHI (Page 5) (Full)
February 7, 2009

The Foreign Ministry has started coordination on a plan to appoint Ambassador to France Yutaka Iimura to be the government's delegate in charge of issues with the Middle East. Besides former Administrative Vice Foreign Minister Shotaro Yachi, who now serves as the government's delegate for key diplomatic issues in response to Prime Minister Taro Aso's intention, there are four government delegates respectively in charge of normalization of diplomatic ties between Japan and North Korea, U.S. forces in Okinawa, and other issues. But the post dealing with issues with the Middle East has been vacant.

In 2001, when Iimura was chief of the foreign minister's secretariat, he was dismissed in conflict with then Foreign Minister Makiko Tanaka. He became ambassador to Indonesia in 2002 and has been in his current post since 2006. Given that Ambassador to Russia Yasuo Saito has been informally appointed to become ambassador to France by the end of this month, attention was being focused on how

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Iimura would be treated.

Government delegates are special officeholders authorized to hold negotiations with other countries on behalf of the government.

(13) Government's written reply to note: "Details have not been grasped" about pirates off Somalia

MAINICHI (Page 5) (Full)
February 7, 2009

The government decided in a cabinet meeting yesterday to note in its written reply that the government has not grasped details about pirates off Somalia, Africa. In it, the government takes the position that it has learned through reports that pirates are armed with automatic rifles and rocket launchers. It also notes that the government has not been informed of the details of how they attack. House of Representatives member Hideo Hiraoka of the Democratic Party of Japan, who asked questions in writing to the government, commented: "The government is set to dispatch Maritime Self-Defense Force destroyers to Somalia though it knows nothing about pirates. I wonder how the government will handle this matter."

(14) Defense Minister Hamada confirms anti-piracy cooperation with Britain

NIKKEI (Page 2) (Full)
February 8, 2009

Shigehisa Furuya, Munich

Defense Minister Yasukazu Hamada held separate talks with his Singaporean counterpart Teo Chee Hean and British counterpart John Hutton on Feb. 7 on the sidelines of the Munich Security Conference. As a result, they confirmed a policy course to cooperate in the fight against piracy in waters off Somalia, Africa. Hamada also discussed reconstruction assistance to Afghanistan with Defense Minister Hutton.

Meanwhile, Defense Minister Teo indicated that he would welcome the dispatch of destroyers by Japan for an anti-piracy mission. He also said: "Singapore is also considering a dispatch to waters off Somalia. An opportunity would arise to exchange information." Reportedly, there is a possibility that (Japanese) destroyers will call at a port in Singapore for replenishment. Hamada is also scheduled to have a meeting with Defense Minister Franz Jung of Germany.

Hamada was also scheduled to meet with Defense Minister Herve Morin of France and defense chief Vlasta Parkanova of the Czech Republic, the chair of the European Union, but they were called off at the eleventh hour due to the two countries' circumstances.

(15) France, Czech cold-shoulders Japan

YOMIURI (Page 2) (Full)
February 8, 2009

Shozo Nakayama, Munich

Defense Minister Yasukazu Hamada planned to meet on Feb. 7 at a Munich hotel with Czech Defense Minister Vlasta Parkanova and French

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Defense Minister Herve Morin. However, the planned meetings were cancelled at the last minute due to their circumstances. The Czech Republic currently takes over the European Union presidency.

According to the Defense Ministry, the Czech side proposed postponing the meeting planned for the morning to the afternoon, but the meeting was eventually cancelled. Reportedly, the reason for the cancellation of the Hamada-Morin meeting, which had been planned for noon, was because President Nicolas Sarkozy's speech at the Munich Security Conference, which Morin attended, was delayed. A senior Defense Ministry official said, "The sudden cancellation of a meeting on the sidelines of a multinational conference is not unusual." However, some might say that Japan's presence still remains small in the security world.

(16) PACOM commander: "More funds needed to transfer U.S. Marines in Okinawa to Guam

AKAHATA (Page 2) (Full)
February 7, 2009

Adm. Timothy Keating, commander of the Pacific Command, indicated in an interview with Reuters on Feb. 5 that the transfer of U.S. Marines in Okinawa to Guam, initially planned to be completed by 2014, will likely fall behind schedule and that more funds would be needed for the plan.

Keating said: "The schedule for attaining the goal of transferring 8,000 (U.S. Marines) to Guam has fallen behind schedule. In addition, there are not enough funds to immediately carry it out." He repeatedly said: "The relocation plan will not be carried out as planned, and it will also cost more."

Keating emphasized that there has not been any change so far to the relocation plan under the Obama administration. He stated: "I think that handling this plan in a more cautious manner over the long run will be more beneficial. ... We will neither abandon Japan nor make a quick decision to do so. We guarantee this to our friends and allies in the region."

Keating did not disclose which side, Japan or the U.S., will shoulder this increased cost.

In November 2008, Keating said that the Guam transfer process would not be completed in 2014. Later, though, the Department of Defense, denying this prediction by Keating emphasized that the process will finish by that year.

(17) U.S. force realignment: Futenma relocation issue may rekindle

TOKYO SHIMBUN (Page 2) (Abridged)
February 8, 2009

Takuji Soka

There are some signs that the planned relocation of the U.S. Marine Corps' Futenma Air Station in Ginowan, Okinawa Prefecture, to the coastal area of Camp Schwab in Nago will rekindle as a political issue. The government plans to conclude a new agreement with the United States to promote the relocation plan and will ask the Diet for its consent during the current session. But Diet deliberations may stall due to objections from opposition parties.

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Foreign Minister Hirofumi Nakasone visited Okinawa earlier this month to hold talks with Governor Hirokazu Nakaima. In the meeting, Nakasone sought Nakaima's understanding by telling him Tokyo's plan to conclude a new agreement with Washington that will prohibit the United States from using some 6 billion dollars of Japan's contribution to the relocation of U.S. Marines to Guam for other purposes.

In order to complete the relocation by 2014, as was agreed upon with the United States, the government needs to obtain by this fall the governor's authorization to use the surface of public waters. But Nakaima has insisted the relocation site be moved further offshore than was agreed upon between the two countries. The fissure between the central government and Okinawa has yet to be bridged.

The envisaged agreement is also likely to stir up controversy at the Diet. The major opposition Democratic Party of Japan supports the Guam relocation plan, but it has raised a question about Japan's massive contribution, with Secretary General Yukio Hatoyama saying, "Japan's contribution seems too luxurious."

A constitutional provision stipulates the precedence of a decision on an international treaty by the House of Representatives in which the ruling coalition has a majority. Still, a rejection by the House of Councillors would leave damage.

Meanwhile, the U.S. Obama administration intends to realign U.S. forces in Japan as planned.

In their telephone discussion earlier this year, Foreign Minister Nakasone and U.S. Secretary of State Hillary Clinton agreed to steadily implement the realignment of U.S. forces. During her Japan visit starting on Feb. 16, Clinton is expected to ask Nakasone again to implement the plan as scheduled.

The Aso administration is aiming to build relations with the Obama administration. Nevertheless, sandwiched between the United States and Okinawa, the Aso administration finds itself in a tight spot. Some fear angering the United States, with a senior Defense Ministry official saying, "U.S. force realignment has constantly been rocked by Japan's political circumstances."

Tokyo, Washington agree to specify observance of roadmap in agreement

The governments of Japan and the United States have decided to specify their observance of the U.S. force realignment roadmap that was agreed in 2006 in a new agreement to be concluded on the relocation of U.S. Marines from Okinawa to Guam, several government sources revealed on Feb. 7.

The agreement will be inked by Secretary of State Hillary Clinton, who is to visit Japan starting on Feb. 16, and Foreign Minister Nakasone. The government also plans to accelerate work to relocate Futenma Air Station to the coastal area of Camp Schwab.

(18) Noise at Kadena increased; Burden not decreased by training relocation

AKAHATA (Top play) (Abridged slightly)
February 7, 2009

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The government has implemented a program to relocate F-15 fighters' training from the U.S. Kadena Air Base, located in Kadena Town, to elsewhere as a means to reduce the burden on Okinawa. Despite that, noise at the base has increased, Japanese Communist Party lawmaker Seiken Akamine revealed in a House of Representatives Budget Committee session on Feb. 6.

U.S. fighter training has been moved from Okinawa to six Self-Defense Force bases starting in March 2007.

According to data formulated by the Kadena Town base affairs department and presented by Akamine at the committee meeting, the frequencies of noise caused by U.S. military aircraft during the periods of F-15 training conducted outside Kadena in fiscal 2008 all exceeded the average of fiscal 2006, the year before the program was implemented.

Increases in noise are ascribable to the arrival and training of many aircrafts from outside Kadena, such as the deployment of state-of-the-art F-22 stealth fighters and F-18 attack planes from Iwakuni Air Station in Yamaguchi Prefecture.

Akamine also pointed out the planned joint use of Kadena Air Base with the Air Self-Defense Force (ASDF), the deployment starting this year of F-15 fighters at the SDF's Naha base in Naha City, the Ground Self-Defense Force's ongoing training at Camp Hansen in Kin Town, and a plan to turn the GSDF First Combined Regiment into a brigade. Akamine said: "In reality, the burden has increased rather than decreased. The government is strengthening the bases in Okinawa and in other prefectures by taking advantage of the people of mainland Japan who want to see the burden on Okinawa reduced."

Defense Minister Yasukazu Hamada replied: "I take the local indication seriously that the burden has not been lessened." Foreign Minister Hirofumi Nakasone, too, replied: "I would like to convey the actuation situation about alleviating the burden on Okinawa (to U.S. Secretary of State Hillary Clinton who is scheduled to visit

Japan starting on Feb. 16)."

ZUMWALT